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UNCLAS SECTION 01 OF 03 ATHENS 001770

SIPDIS

STATE FOR EB/IFD/OIA JPROSELI AND L/CID JNICOL

STATE FOR USTR FHUEGEL AND OPIC O'SULLIVAN

USDOC FOR ITA ATAYLOR

TREASURY FOR DO CHRISTOPULOS

E.O. 12958: N/A

TAGS: [EINV](#) [EFIN](#) [PGOV](#) [KIDE](#) [CASC](#) [GR](#)

SUBJECT: 2005 REPORT ON INVESTMENT DISPUTES AND  
EXPROPRIATION CLAIMS: GREECE

REF: A) STATE 70014; B) 04 ATHENS 2132

1. Per ref A, the following are the investment dispute and expropriation claims that have come to attention of ConGen Thessaloniki and FCS and Consular and Economic sections Athens since post's last report in June 2004 (ref B).

2. Case 1:

a) Claimant A

b) June 1999

c) Claimant A is a wholly owned subsidiary of a U.S. manufacturing design firm that produces patented plastics manufacturing system and equipment. In the 1990s, the U.S. parent company applied to the GOG for industrial investment incentives in order to establish a plastics manufacturing plant in northern Greece, which would incorporate the company's manufacturing systems and equipment. Claimant A maintains that the project is now 85 percent complete but that the GOG has not met its incentives payment commitments, and that this is preventing final completion of the project and its opening for business. The GOG maintains that Claimant A has not fully met its responsibilities under the law regulating investment incentives, and that therefore claimant will not receive further incentive payments. The dispute has continued for four years, with every attempt at advocacy to resolve the matter having failed -- including advocacy at the highest levels. Last year, Claimant A attempted to secure the support of a Greek investor, also in the plastics sector, to complete the project. All work on the project has come to a halt and some aspects of the case are being litigated in the Greek courts. Unless granted judicial relief, and this is far from certain, the U.S. company will likely lose its entire investment in the project. Post has been unable to contact Claimant A and has received no information in the last three years; therefore, we will discontinue this case in future reports.

3. Case 2:

a) Claimant B

b) May 23, 2000

c) On May 23, 2000, an attorney for Claimant B informed Post that the municipality of Amaroussio (in Northern Athens) stated that it planned to annex 5,160 square meters of Claimant B's property into the Municipality's public property. The Municipality also demanded that Claimant B pay taxes on 900 square meters of property that had not previously been taxed. Claimant B has owned the property for over 30 years and claims that the municipal action violates a 1954 Treaty of Friendship, Commerce and Navigation between Greece and the United States. He believes the action taken against his property is discriminatory. On June 1, 2001, Claimant B won a partial victory when an appellate court ordered the Municipality to return 1,500 square meters of the property. On June 3, 2002, Claimant's attorney informed post that the Municipality has decided to require a monetary contribution from Claimant B in lieu of the property. On May 6, 2003, claimant's attorney informed post that the municipality is requesting the amount of 3,750 Euros. Claimant B sought legal relief from the monetary contribution on the grounds that the property is owned by a not-for-profit religious association. Local court ruled that the amount of the monetary

contribution is not correct and requested the Municipality to recalculate the amount. Claimant's new attorney has appealed court's ruling insisting that Claimant should not have to pay any contributions. Hearing date has not been set yet.

14. Case 3:

a) Claimant C

b) February 11, 1999

c) On February 12, 1999, Claimant C notified Embassy Consular Section that the caretaker of his offices in Mycenae (Peloponnese) had been evicted and that the mayor of Mycenae had taken possession of the building. The building had been constructed with funds raised by a U.S. - based foundation. Claimant C charged that this action violated an agreement made when the building was constructed wherein Claimant C agreed to share two of the offices with local residents. On November 25, 1999, a local court ordered the Mayor to vacate Claimant's property. As of May 2002 Claimant C's attorney stated that not all of the office occupants had been evicted as the court ordered. Claimant C filed a new lawsuit against the community of Mycenae seeking the complete eviction of all occupants. The hearing in the case was scheduled for November 20, 2002, but was postponed twice. According to Claimant C's attorney, a new hearing has been set for January 18, 2006.

15. Case 4:

a) Claimant D

b) October 19, 2001

c) Claimant D inherited property on the island of Kastellorizo from his grandfather, who bought the land over 50 years ago. In October 2000, the Claimant reported to the Consular Section that the Mayor of Kastellorizo was attempting to seize the property. When Post contacted the Greek Ministry of Aegean we were informed that the city of Kastellorizo has a claim to the property under Greek law that accords rights to squatters. Claimant D retained a local attorney to represent him. Post has sent two diplomatic notes to the Ministry of foreign Affairs asking about the status of the case. In July 2003, the Ministry of Foreign Affairs responded by transmitting a letter from the mayor of Megistis, where the property is located. The mayor states in his letter that claimant does not have the proper documentation to establish ownership of the property. On May 23, 2005, claimant's attorney informed the embassy that he is taking the case to court because he finally got a witness to testify in court. The attorney said that negative publicity on TV in the recent past concerning illegal activity of the Mayor of Kastellorizo might help the case.

16. Case 5:

a) Claimant E

b) June 2000

c) In September 1992, Claimant E purchased from the Department of Land of Dodecanese a 3,200 square meters piece of land on the island of Rhodes. In December 1992, the board of a church close to the property took Claimant E to court claiming that the property belonged to the church. The local court ruled against Claimant E as it decided that the property indeed belonged to the church. Claimant E's attorney has asked the Department of Land of the Dodecanese to replace claimant's property with another piece of land of equal value. Claimant E informed us on May 12, 2004 that the Department of Land compensated him by returning the amount he had paid for the land 12 years ago with no interest. On May 23, 2005, claimant stated that he plans to retain the services of another lawyer and request compensation through local courts for the financial loss he has suffered.

Claimants' Names  
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17. Per ref A, the following are the names of the 5 claimants in the 2004 Greek Investment Disputes and

Expropriation Claims Update:

--Claimant A is Polyform USA, LLC. Polyform is a wholly owned subsidiary of Science International Inc., headquartered in Daphne, Alabama. The president of the company, Dr. Jack Boykin, has sought assistance from post in writing.

--Claimant B is the Jehovah's Witness Bible and Tract Society of Pennsylvania, 77 Kifissias Avevue, 151 24 Maroussi, Athens, Greece. A Greek citizen who has not filed a privacy act waiver is representing the organization.

--Claimant C is the Mycenaen Foundation, 1270 Avenue of the Americas, New York, N.Y. 10020-1795. It has not filed a privacy act waiver, however, it did request the assistance of the Embassy in writing.

--Claimant D is Charles Thomas McGlade, 4055 Spring Blvd., Eugene, OR 97405. He has not signed a privacy act waiver.

--Claimant E is Charles S. Fentules aka Afentoulis, 1231, North Road, Apt. 274, Niles, Ohio 44446. Mr. Fentules requested embassy's assistance in writing.

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